APPENDIX A

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
2022 Quadrennial Regulatory Review –	)	MB Docket No. 22-459
Review of the Commission's Broadcast	)	
Ownership Rules and Other Rules Adopted	)	
Pursuant to Section 202 of the	)	
Telecommunications Act of 1996	)	

COMMENTS OF NEXSTAR MEDIA INC.

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SUMMARY

It is a costly matter simply to operate a television broadcast station—to power the transmitter; to pay for and maintain equipment, studios, and transmitter sites; to obtain programming; to pay the staff necessary to run the station; and to comply with the many Federal Communications Commission ("FCC" or "Commission") regulations to which broadcasters are subject. It is even more expensive to create and distribute critical, trusted news and information specifically geared to the communities that a station serves.

A local broadcaster's ability to accomplish all of these tasks depends primarily upon two sources of funding: advertising and subscription revenue. As discussed herein, the competitive pressures on each of these revenue streams have only increased, and the overhang of an outdated regulatory paradigm serves only to hamper broadcasters' ability to serve their communities fully. Thus, in this 2022 quadrennial review, Nexstar Media Inc. once more urges the Commission to fully and finally overhaul its local television ownership rules to meet the realities of today's video marketplace.

In just the last two years, the explosive growth of new and previously existing unregulated video outlets, including on-demand news, a la carte entertainment, and streaming, has continued unabated. Heavily capitalized tech companies continue to challenge local television broadcasters for viewers and advertisers in markets both large and small, while television viewers are increasingly migrating to new alternative platforms to consume video programming. These substantial market challenges, coupled with the current regulatory environment limiting local television broadcast ownership to no more than two stations per market, constrain local broadcasters from (1) reaching the scale and scope necessary to operate and provide consistent locally focused programming and (2) keeping pace with their largely unregulated competitors.

These impediments create barriers to the revenue local broadcasters *need* to identify, produce, and distribute local programming, including news, sports, and public affairs.

Given the seismic shifts in the competitive environment in which local television broadcasters exist today, the FCC's current restrictions on local television ownership are increasingly obsolete and long past due for elimination or, at a minimum, further reform. Any other result will leave the television broadcast industry needlessly and unfairly hamstrung in competing with larger and less regulated programming and advertising rivals and, even more importantly, impede broadcasters' ability to fully serve their communities with the uniquely local news and public service that only they can provide.

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As the nation's largest local television broadcaster, Nexstar Media Inc. ("Nexstar") appreciates the opportunity to comment in this most recent quadrennial review.[1] As shown below, television broadcasters today compete for audiences and local advertising dollars with tech giants such as Alphabet, Amazon, and Meta, and face increasing pressure from the rising migration of television viewers from traditional multichannel video programming distributors ("MVPDs") to

[1] *Media Bureau Opens Docket and Seeks Comments for 2022 Quadrennial Review of Media Ownership Rules*, Public Notice, MB Docket No. 22-459, DA 22-1364 (Dec. 22, 2022) (the "*2022 QR Public Notice*"). Nexstar currently owns or provides services to 199 full-power television broadcasting stations in 116 local markets throughout the United States. Nexstar has filed comments, reply comments, and supplemental comments in each of the FCC's Section 202(h) media ownership reviews dating back to the 2002 biennial review. Most recently, Nexstar filed two rounds of comments in the 2018 review: in 2019 in response to the notice of proposed rulemaking initiating that review, and again in 2021 in response to the Media Bureau public notice refreshing the record in that proceeding. *See 2018 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Notice of Proposed Rulemaking, 33 FCC Rcd 12111 (2018) (the "*2018 NPRM*"); Comments of Nexstar Broadcasting, Inc., MB Docket No. 18-349 (Apr. 29, 2019) ("Nexstar 2018 QR Initial Comments"); Reply Comments of Nexstar Broadcasting, Inc., MB Docket No. 18-349 (May 29, 2019) ("Nexstar 2018 QR Initial Reply Comments"); Comments of Nexstar Broadcasting, Inc., MB Docket No. 18-349 (Sep. 2, 2021) ("Nexstar 2018 QR Refresh Comments"); Reply Comments of Nexstar, MB Docket No. 18-349 (Oct. 1, 2021) ("Nexstar 2018 QR Refresh Reply Comments").

on-demand streaming platforms and linear streaming services (commonly known as "virtual MVPDs" or "vMVPDs") like YouTubeTV, DIRECTV Stream, fuboTV, and Sling TV. At the same time, traditional newspaper circulation continues to decline by double digits each year, leading to "'news' deserts in poorer and rural communities."[2] *Local* broadcasters are singularly positioned to fill this void, providing timely and trusted news and information to their communities and combating the spread of uncontested disinformation from unreliable non-local sources.[3] They cannot perform these and other vital functions, however, without the significant regulatory relief that the Federal Communications Commission ("FCC" or "Commission") has denied them for far too many years. Nexstar thus urges the Commission to recognize the obsolescence of local television broadcast ownership rules in a transformed video content and advertising marketplace, and to jettison (or at least relax) those rules accordingly.

I. THE CURRENT LOCAL TELEVISION OWNERSHIP RULE SUPPRESSES BROADCASTERS' ABILITY TO FULLY SERVE THE PUBLIC INTEREST.

"The Commission has consistently held that, as temporary trustees of the public's airwaves, broadcasters are obligated to operate their stations to serve the public interest—specifically, to air programming responsive to the needs and issues of the people in their communities of license."[4] At the same time, the FCC has "historically regarded as paramount its" *own* "role under the

[2] Rick Edmonds, *An updated survey of US newspapers finds 360 more have closed since 2019*, Poynter (June 29, 2022), https://www.poynter.org/business-work/2022/an-updated-survey-of-us-newspapers-finds-360-more-have-closed-since-2019/.

[3] Steven Lee Myers & Nico Grant, *Combating Disinformation Wanes at Social Media Giants*, The New York Times, (Feb. 14, 2023), https://www.nytimes.com/2023/02/14/technology/disinformation-moderation-social-media.html.

[4] *Broadcast Localism*, Report on Broadcast Localism and Notice of Proposed Rulemaking, 23 FCC Rcd 1324, 1327, ¶ 6 (2007).

Communications Act to ensure that licensees broadcast in the public interest."[5] The only way for local broadcasters to satisfy their responsibilities to serve local audiences is by offering high-quality programming focused on local needs and interests. They can successfully do this only with adequate freedom to respond to the financial pressures created by the increasingly competitive and fragmented media marketplace.

Congress recognized the need for active and ongoing review of broadcast ownership regulation in its adoption of Section 202(h), which mandates that the FCC "repeal or modify" any rule that is "no longer" "necessary in the public interest as the result of competition."[6] Indeed, even when it adopted Section 202(h) 27 years ago, Congress determined that "substantial reform" of the "Commission['s] oversight of the way the broadcasting industry develops and competes" was needed in light of the "explosion of programming distribution sources" that had already occurred as of the mid-1990s.[7] Given the diverse competition that broadcasters face today from a myriad of sources that could not even have been imagined at the time of Congressional action, the "public interest" requires the FCC to support policies that will enable broadcasters (and the unique and critical information they provide to their communities) to not only survive but thrive. Any other result will impede broadcasters' ability to effectively serve their local communities and conflict with the Commission's statutory obligations.

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[5] *Renewal Reporting Requirements for Full Power, Commercial AM, FM and TV Broadcast Stations*, Notice of Proposed Rulemaking, 8 FCC Rcd 49, ¶ 6 (1992); *see* 47 U.S.C. §§ 303, 307, 309.

[6] Telecommunications Act of 1996, Pub. L. No. 104-104, § 202(h), 110 Stat. 56, 112 (1996) ("1996 Act").

[7] H.R. Rep. No. 104-204, at 55 (1995).

For many years now, it has been well past time for the Commission to update its rules to reflect the competitive reality that television stations compete not just with other television stations, but with a plethora of other media outlets.[8] The same is even more true today. As demonstrated below, the media marketplace has only continued to expand, leaving viewers with even more choices for video entertainment and informational content than they ever had before.[9] Given that the majority of television broadcasters' competitors are likewise advertising-supported, advertisers also have a multitude of choices.[10] These include not only powerful digital platforms that use ever-increasingly sophisticated "AdTech" tools to permit strategic targeting of advertisers' desired audiences, but also cable advertising interconnects, which sell spots to local advertisers for insertion into cable network programs and offer advertisers the ability to reach narrowly or broadly targeted audiences.[11] These alternative choices are not just *available*, but are overwhelmingly being chosen by consumers and advertisers, as television broadcasters have continued to lose viewers and revenues to competitors.[12] Indeed, as Chairwoman Rosenworcel has observed, Americans today can "see and hear news and information where we want it, when we want it, and from whom we want it" given the "vast amount of material available today on cable channels,

[8] Nexstar 2018 QR Refresh Comments at 15-16; Nexstar 2018 QR Refresh Reply Comments at 3-4, 6; Nexstar 2018 QR Initial Reply Comments at 2-5; Nexstar 2018 QR Initial Comments at 5-9.

[9] *See infra* Sections III.A, C-D.

[10] *See infra* Sections III.B-D.

[11] *See infra* Section III.

[12] *See id.*; *see also* Attachment B.

satellite services, and over the Internet."[13] This renders rules adopted in a bygone era "when there were just a few channels on the dial"[14] unjustifiable in the current hyper-competitive environment.

It bears noting that, for the last fifteen years, the FCC's sole rationale for the Local Television Ownership Rule has been competition, with the Commission recognizing in 2008 that the rule was "no longer necessary to foster diversity because"—even in a market with far fewer sources of information than exist today—"there [we]re other outlets for diversity of viewpoints in local markets."[15] Thus, the agency found, "a single-service ownership restriction [wa]s not necessary to foster diversity."[16] Given the further proliferation of outlets that contribute to diversity since that time,[17] it would be arbitrary and capricious for the FCC to shift course and attempt to justify retention of the Local Television Ownership Rule on a diversity-based rationale.[18] Moreover, "competition" is the only public interest factor that Congress specifically

[13] Letter from Chairwoman Rosenworcel to the Honorable Cathy McMorris Rodgers, Ranking Member, Committee on Energy and Commerce, U.S. House of Representatives, at 1 (June 4, 2021) (distinguishing the historical context in which the fairness doctrine was initially adopted from the current media environment).

[14] *Id.*

[15] *2006 Quadrennial Regulatory Review*, Report and Order and Order on Reconsideration, 23 FCC Rcd 2010, 2064-66 (2008).

[16] *Id.*

[17] *See infra* Section III.

[18] *See, e.g.*, Comments of the National Association of Broadcasters, MB Docket Nos. 18-349, 17-289, at 57-59 (Apr. 29, 2019) ("NAB 2018 QR Initial Comments"); Comments of the National Association of Broadcasters, MB Docket No. 18-349, at 37-38 n.102 (Sept. 2, 2021) ("NAB 2018 QR Refresh Comments").

identified in Section 202(h), thus indicating that it is the most important factor in the FCC's statutorily-prescribed analysis.[19]

For far too long now, broadcasters have remained at an industry crossroads. In the face of the factual record demonstrating an overwhelming degree of choice for advertisers and audiences, it is irrational to restrict the number of television stations that can be owned in a local market. This is even more true because television broadcasters' competitors are subject to no limitations on the number of viewers they can reach or the number of advertisers they can serve. It is undeniable that the Big Tech firms, MVPDs, vMVPDs and over-the-top ("OTT") services, most of which dwarf local television broadcasters, pose major threats to the advertising revenues upon which broadcasters depend to fund essential local programming that serves the needs and interests of communities.[20] These developments have occurred while local broadcasting operations have become more expensive over time and are increasingly in crisis.[21] As just two examples of the cost of doing business, a Nexstar station in a top 100 designated market area ("DMA") without local news has a monthly operational cost of at least $550,000, excluding affiliation and programming fees and sales commissions. Another station in a top 150–200 DMA providing 40 hours of local news per week has a monthly operational cost of approximately $780,000, again excluding payment of affiliation and programming fees and sales commissions. Both stations have

[19] *See, e,g.*, Nexstar 2018 QR Refresh Comments at 5-6; NAB 2018 QR Refresh Comments at 38-41.

[20] *See infra* Section III.

[21] *See, e.g.*, Nexstar 2018 QR Refresh Comments at 7, 18-19; Nexstar 2018 QR Refresh Reply Comments at 5; NAB Refresh Comments at 20-37; Nexstar 2018 QR Initial Reply Comments at 5; Nexstar 2018 QR Initial Comments at 13.

an average monthly utility bill of between $20,000 and $30,000. And such expenses are certainly not the only costs that local broadcasters bear in operating television stations.

Leaving television broadcasters shackled by rules that do not apply to their far more powerful competitors in the video programming and advertising markets disserves the public interest by depriving broadcasters—who are uniquely committed and suited to providing high-quality local news and information to viewers—of the ability to achieve economies of scale necessary to expand and improve local programming. Absent expeditious Commission action, the overwhelming competitive imbalance created by the Local Television Ownership Rule risks a significant further erosion of the broadcast industry and its ability to produce the quality journalism that is the touchstone of the public interest.

II. AT A MINIMUM, BROADCASTERS SHOULD BE PERMITTED TO OWN TWO TOP-FOUR STATIONS IN A MARKET REGARDLESS OF SIZE.

To the extent that the FCC is unwilling to eliminate the Local Television Ownership Rule entirely, the record before the Commission has also long supported elimination of the *per se* ban on ownership of two top-four stations in a local market.[22] As demonstrated below, the same is even more true today.[23] The Top-Four Prohibition, like the Local Television Ownership Rule itself, is premised upon the view that permitting common ownership will disincentivize a broadcaster from serving the public interest, when precisely the opposite is true. Marketplace forces standing alone ensure that incentives to maintain and increase broadcast audiences (and, thus, advertising revenues) are higher than ever. Accordingly, permitting ownership of two top-

[22] Nexstar 2018 QR Refresh Comments at 17-19; Nexstar 2018 QR Refresh Reply Comments at 7; Nexstar 2018 QR Initial Reply Comments at 5-9; Nexstar 2018 QR Initial Comments at 10-14.

[23] *See infra* Section III.

four rated stations would provide broadcasters with greater economic efficiencies needed to produce high-quality local programming while promoting the public interest.

Indeed, given the intense competition faced by television broadcasters not only from other television stations in their markets but from Google, Facebook, Amazon, Netflix, and countless other online and other distribution platforms,[24] it is absurd to suggest that prohibiting ownership of two top-four stations is necessary to encourage broadcasters to provide high-quality programming. The widespread availability of television network programming, which was once uniquely aired on local television stations, on network-operated streaming platforms serves only to further undermine any basis for retaining the Top-Four Prohibition. Broadcasters can remain viable in the increasingly fragmented media ecosystem only by delivering programming that viewers want to watch, thus increasing their audience share and, in turn, enabling them to earn higher advertising rates and increased advertising revenues. As a result, television broadcasters are hyper-focused on offering the best possible programming to viewers and, even without the Top-Four Prohibition, would lack any incentive to homogenize programming or reduce local service.

Nexstar's own operation of two top-four stations in a market is a case in point. Pursuant to Commission authority, Nexstar owns WXIN(DT) and WTTV(DT), the FOX and CBS affiliates, respectively, in the Indianapolis, Indiana market.[25] Before becoming a CBS affiliate commonly owned with another top-four station, WTTV aired no newscasts at all. Now, WXIN and WTTV offer over 25 hours per week of entirely separate newscasts. The stations together air over 100

[24] *See id.*

[25] *See Applications of Tribune Media Company (Transferor) and Nexstar Media Group, Inc. (Transferee) et al.*, Memorandum Opinion and Order, 34 FCC Rcd 8436, ¶¶ 33-44 (2019).

hours per week of news and local programming. Additionally, common ownership of WXIN and WTTV has allowed the stations to offer a host of additional local programs including a weekly political and public affairs show as well as live "town halls" airing in prime time that focus on such locally relevant topics as COVID-19, race relations, crime, local government, and economics. The stations also feature programs focusing on local minorities, women, and veterans, as well as a variety of sports specials including the Indianapolis 500, the NCAA basketball tournament, and the Indianapolis Colts. Nexstar expects to spend over $11 million this year on local news and other programming for WXIN and WTTV. This is precisely the opposite of the homogenization and local service reduction that the Commission wrongly believes will occur when two top-four stations are commonly owned.

Local broadcasters earn the vast majority of their advertising revenues from their local programming and, as a result, are compelled by marketplace forces to produce high-quality local programming in order to attract viewers, resulting in the advertising revenue necessary to succeed. This imperative exists for a local television station regardless of its network affiliation. Because local programming is typically among the largest operational costs at a broadcast station, permitting a local broadcaster to obtain significant efficiencies through common ownership will lead to more and better local programming and greater community involvement.[26] There is no reason to deny these efficiencies to some stations simply because they are affiliated with more popular networks.

[26] *See, e.g.*, Nexstar 2018 QR Refresh Comments at 18-19; Nexstar 2018 QR Refresh Reply Comments at 4-7; Nexstar 2018 QR Initial Reply Comments at 5-6; Nexstar 2018 QR Initial Comments at 13-14.

Drawing the line at the fourth-ranked station in the market is also illogical. The audience and revenue shares of top-four ranked stations vary widely.[27] Thus, the Top-Four Prohibition irrationally prevents struggling third-ranked and fourth-ranked (and even some second-ranked) stations from achieving economies of scale to ensure their viability. Moreover, the prohibition artificially skews station values in a market, making a fifth- or lower-ranked station more attractive than the fourth-ranked station to potential buyers in the market. Consequently, the Top-Four Prohibition arbitrarily prevents marketplace forces from functioning as they should and leads to *less* service to the public in contravention of the Commission's stated goals. Accordingly, the Commission should, at a minimum, eliminate the Top-Four Prohibition.

III. THE EVOLVING VIDEO PROGRAMMING AND ADVERTISING MARKETS RENDER LOCAL TELEVISION OWNERSHIP RESTRICTIONS OBSOLETE.

As discussed below, continuing trends in the video programming and advertising ecosystems increasingly challenge broadcasters today and support Nexstar's request for meaningful relief from outdated local television ownership regulations. Judged properly against the backdrop of the competitive realities in which broadcasters now function—and through the statutorily-mandated lens of evaluating whether the current rules are still "necessary in the public interest as the result of competition"—it is long past time for the "regulatory reform" that Congress intended under Section 202(h) to finally become a reality.[28]

A. Video Content Options Continue to Expand.

Over the past decade or longer, options for television viewers have expanded far beyond the three major television networks of old, to a world where literally hundreds if not thousands of

[27] *See, e.g.*, Nexstar 2018 QR Refresh Comments at 19; Nexstar 2018 QR Initial Reply Comments at 6; NAB 2018 QR Initial Comments at 71-76; NAB Refresh Comments at 86, 98-100.

[28] 1996 Act, § 202(h).

programming choices are available at any given moment through over-the-air broadcasting, cable and satellite MVPDs, and a variety of digital platforms.[29] For many years now, a broadcaster's programming has been "just a small drop in a large, competitive ocean,"[30] and the same remains true today.

The biggest headline in television's evolution today remains the expansion of streaming video services. The use of streaming video platforms, such as Netflix and Hulu, has exploded over the past several years and shows no signs of slowing down.[31] The COVID-19 pandemic eroded traditional work and life schedules and increased binge watching and serial viewing via streaming services, accelerating the trend toward demand for content wherever and whenever viewers want it.[32] Although the darkest days of the pandemic now fortunately appear to be behind us, it is clear that "[s]treaming is here to stay."[33]

According to Nielsen, streaming claimed the largest share of TV viewing in the United States in July 2022, surpassing for the first time the viewing share of traditional MVPDs.[34]

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[29] *See, e.g.*, Nexstar 2018 QR Initial Comments at 3-4, 9.

[30] *Id.* at 4.

[31] Hulu, owned primarily by Disney, today acts as both a vMVPD (Hulu + Live TV) and a VOD streaming service on which viewers can immediately watch, among other things, the prior night's episodes of most major network programs.

[32] *See* Nexstar 2018 QR Refresh Comments at 13.

[33] *See* Frank Pallotta, *The streaming wars are over*, CNN Business (Aug. 11, 2022), https://www.cnn.com/2022/08/11/media/streaming-disney-netflix/index.html.

[34] *See Streaming claims largest piece of TV viewing pie in July*, Nielsen (Aug. 2022), https://www.nielsen.com/insights/2022/streaming-claims-largest-piece-of-tv-viewing-pie-in-july/.

Streaming's share has consistently increased over the past year and now accounts for 38.1% of total TV viewing.[35] This reflects a 10.4% increase from December 2021.[36]

With regard to video on demand ("VOD") platforms, Netflix, Hulu, and Amazon Prime Video were streaming industry mainstays even before the so-called "streaming wars" hit their full stride in 2019. However, legacy media and entertainment companies that have evolved into conglomerates are now well entrenched in the VOD streaming space as well, as their investments in streaming platforms have seen the likes of Disney+, HBO Max (Warner Bros.), Peacock (NBCUniversal), and Paramount+ (Paramount Global, CBS's parent company) grow significantly in viewership. As inflation continues to take a toll on consumers' wallets, advertising-supported VOD platforms like Pluto TV and Amazon's Freevee are emerging and growing.[37] And large tech companies have not sat on the sidelines either, as Apple's streaming platform, Apple TV+, even took home "Best Picture" at the 2022 Oscars with *CODA*.[38]

Consumers prize the various streaming platforms at their disposal just as much, if not more, than broadcast and cable networks. For example, Solution Research Group's most recent annual

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[35] *See High-demand sports and streaming content fuel a rise in total TV usage in January*, Nielsen (Feb. 2023), https://www.nielsen.com/insights/2023/high-demand-sports-and-streaming-content-fuel-a-rise-in-total-tv-usage-in-january/.

[36] *See id; Streaming services remain most popular destination for TV viewing in December*, Nielsen (Jan. 2023), https://www.nielsen.com/insights/2023/streaming-services-remain-most-popular-destination-for-tv-viewing-in-december/.

[37] *See* Bevin Fletcher, *55% of consumers use at least one FAST service: Hub*, Fierce Video (Aug. 16, 2022), https://www.fiercevideo.com/advertising/55-consumers-use-least-one-fast-service. Pluto TV offers both VOD and linear content. *See About Us*, Pluto TV, https://pluto.tv/about-us#about (last visited Jan. 25, 2023).

[38] *See* Fi O'Reilly Sánchez, *'CODA' brings home the Oscar for best picture, a historic win for the Deaf Community*, NPR (Mar. 27, 2022), https://www.npr.org/2022/03/27/1088526640/oscar-best-picture-coda-wins.

"Must Keep TV" survey of consumers' views on the most popular television brands reflects that streaming services occupy five of the top ten spots.[39] Netflix, in the #1 position for the fourth consecutive year, surpasses all four major broadcast networks.[40] Amazon Prime Video, at #4, beat both the NBC and FOX networks, while Hulu, at #6, also topped FOX.[41] Disney+ and HBO Max rank #8 and #9, respectively, both finishing higher than cable powerhouse ESPN, which came in at #10.[42]

In addition to VOD services, vMVPDs are playing an increasing and pivotal role in expanding streaming's hold on the media marketplace. These platforms have seen notable upticks in subscribership in recent years that, not unlike VOD platforms, have been catalyzed in significant part by the COVID-19 pandemic.[43] For example, YouTube TV and Hulu + Live TV's subscriber figures more than doubled between 2017 and 2021.[44] As of July 2022, these platforms sat at 5 million and 4.1 million subscribers, respectively, giving the major vMVPDs a total of roughly 12.4 million subscribers combined.[45] Furthermore, Hulu + Live TV, Sling TV, and fuboTV together

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[39] *See* Mike Farrell, *Netflix Again Tops SRG's 'Must Keep TV' Rankings*, Next TV, https://www.nexttv.com/news/netflix-again-tops-srgs-must-keep-tv-rankings (last updated June 14, 2022).

[40] *See id.*

[41] *See id.*

[42] *See id.*

[43] *See* Michael Balderston, *Parks: Pandemic Helping Drive Consumer Adoption of vMVPDs*, TV Technology (Jan. 28, 2021), https://www.tvtechnology.com/news/parks-pandemic-helping-drive-consumer-adoption-of-vmvpds.

[44] *See 2022 Communications Marketplace Report*, Report, GN Docket No. 22-203, FCC 22-103, ¶ 285, Fig. II.E.18 (Dec. 30, 2022) (citing S&P Global, *Q4'21 leading US video provider rankings* (Apr. 8, 2022)) ("*2022 Communications Marketplace Report*").

[45] *See* Alex Weprin & J. Clara Chan, *YouTube Takes Live TV Market Share as Streaming War Escalates*, The Hollywood Reporter (July 15, 2022),

added just under 900,000 subscribers in 3Q 2022 alone.[46] vMVPDs are projected to grow to 23 million households by 2024, while it is estimated that traditional MVPD subscribers will shrink to 53 million households, down from 69.6 million in Q4 2020.[47] In the next five years, vMVPD subscribers are expected to exceed traditional MVPD subscribers.

Despite their challenges in recent years, traditional MVPDs are still significant players in the media marketplace as well. MVPDs remain the second most-watched platform for television viewers, with a share of total TV usage above 30 percent. And the major national MVPDs such as Comcast, Verizon, and Charter individually have market capitalizations that dwarf the *combined* capitalization of several of the country's largest local broadcast companies.[48] Simply put, when the wealth of available streaming options is combined with the hundreds of channels of linear programming still accessible to subscribers through MVPD subscriptions and the seemingly never-ending pool of videos on YouTube, Instagram, or TikTok, it becomes abundantly clear that consumers have no shortage of choices for video content.

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https://www.hollywoodreporter.com/business/digital/youtube-hulu-live-tv-market-share-as-streaming-war-escalates-1235180802/.

[46] *See* Press Release, Leichtman Research Group, Major Pay-TV Providers Lost About 785,000 Subscribers in 3Q 2022 (Nov. 14, 2022), https://www.leichtmanresearch.com/major-pay-tv-providers-lost-about-785000-subscribers-in-3q-2022/. The Leichtman Research Group's findings do not include data for YouTube TV or Philo, which do not regularly report subscriber totals.

[47] *See* Ben Munson, *U.S. vMVPD subscribers will total 23M by 2024: report*, Fierce Video (July 8, 2021), https://www.fiercevideo.com/video/u-s-vmvpd-subscribers-will-total-23m-by-2024-report.

[48] *See* Attachment A.

B. Digital Platforms Remain Strong Competitors for Advertisers in Local Television Markets.

The high-quality local news and other community-responsive programming that the Commission aspires to foster through its broadcast regulatory scheme relies largely on the advertising revenue that supports this expensive endeavor.[49] Over the past several years, there has been no greater competitor to local television stations and other traditional media outlets for advertising revenue than digital media platforms.[50] BIA Advisory Services recently forecast that traditional media will hold just a razor-thin advantage (51% to 49%) over digital media in share of 2023 local advertising revenue.[51] The prevalence of digital media advertising will no doubt continue for the foreseeable future, as 3Q 2022 advertising revenue came in at $54.48 billion for Alphabet,[52] $27.2 billion for Meta,[53] and $9.55 billion for Amazon.[54]

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[49] *See* Nexstar 2018 QR Refresh Comments at 7; Nexstar 2018 QR Initial Comments at 5-7.

[50] *See* Nexstar 2018 QR Refresh Comments at 7-11.

[51] *See, e.g.*, *BIA Projects $165.7B In 2023 For Local Advertising, Indicating Flat Year-over-Year Revenue Expectations*, TVNewsCheck (Nov. 30, 2022), https://tvnewscheck.com/business/article/bia-projects-165-7b-in-2023-for-local-advertising-indicating-flat-year-over-year-revenue-expectations/#:~:text=In%20its%20newly%20released%202023,of%20%24166.5%20billion%20for%202022.

[52] *See* Jennifer Elias, *Alphabet misses on earnings as YouTube shrinks; company will cut headcount growth by half in Q4*, CNBC (Oct. 25, 2022), https://www.cnbc.com/2022/10/25/alphabet-googl-q3-2022-earnings-.html.

[53] *See* Salvador Rodriguez, *Facebook Parent Meta's Earnings Fall Short as Revenue Decline Accelerates*, The Wall Street Journal, https://www.wsj.com/articles/meta-facebook-q3-earnings-report-2022-11666753938?mod=article_inline (last updated Oct. 27, 2022).

[54] *See* Annie Palmer, *Amazon stock sinks 13% on weak fourth-quarter guidance*, CNBC (Oct. 27, 2022), https://www.cnbc.com/2022/10/27/amazon-amzn-earnings-q3-2022.html.

Attachment B hereto is a nationwide overview by BIA Kelsey of advertising revenues by media. As seen in that analysis, over-the-air television advertising revenues, which were $19.2 billion in 2018, are forecast to drop to $16.2 billion in 2023, a decrease of 15.6%, and despite projected rebounds in 2024 and 2026, are expected to only minimally exceed 2018 levels nine years later in 2027.[55] At the same time, online advertising has increased each year since 2018.[56] By 2025, online advertising is predicted to be $33.4 billion, nearly doubling its 2018 level of $17.6 billion.[57] Likewise, mobile advertising revenue is growing at a staggering pace—from $18.8 billion in 2018 to a projected $39.1 billion in 2025.[58] Digital advertising has become an alternative for advertisers of all sizes, including the small and mid-size businesses on which local television sales have historically relied.[59]

Digital advertising has inherent advantages over broadcast television and other traditional media in terms of audience targeting and return-on-investment metrics.[60] And the leading sellers

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[55] *See* Attachment B.

[56] *See id.* Online advertising is shown as the "PC/Laptop" media channel in the attached.

[57] *See id*.

[58] *See id.*

[59] *See, e.g.*, Geoff Crain, *How the Pandemic Has Changed Advertising In 2022*, Forbes (Sep. 21, 2022), https://www.forbes.com/sites/forbesagencycouncil/2022/09/21/how-the-pandemic-has-changed-advertising-in-2022/?sh=602e8afa7c6c; Suzanne Vranica, *Google, Facebook and Amazon Gain as Coronavirus Reshapes Ad Spending*, The Wall Street Journal (Dec. 1, 2020), https://www.wsj.com/articles/google-facebook-and-amazon-gain-as-coronavirus-reshapes-ad-spending-11606831201 ("Small-to-midsize businesses in particular have flocked to digital advertising . . ., 'due to the favorable combination of granular targeting and low creative marketing costs. . . .'"); *see also* Tim Peterson, *Local advertisers' reliance on Google and Facebook grows during coronavirus crisis*, Digiday (May 18, 2020), https://digiday.com/marketing/local-advertisers-reliance-on-google-and-facebook-grows-during-coronavirus-crisis/.

[60] *See* Nexstar 2018 QR Refresh Comments at 7-9.

of digital advertising are the same massive companies[61] that are under scrutiny for their domination of online advertising[62] and adverse effects on local journalism.[63] In fact, the Justice Department, along with states like California, New York, Colorado, and Virginia, recently filed a civil antitrust suit against Google, alleging that the company "monopolizes key digital advertising technologies . . . that website publishers depend on to sell ads and that advertisers rely on to buy ads and reach potential customers."[64] President Biden, moreover, used his 2023 State of the Union address to advocate for antitrust legislation to "strengthen antitrust enforcement and prevent big online companies from giving their own products an unfair advantage."[65]

Other advertising platforms continue to place competitive pressure on local broadcasters as well. Cable interconnects pose a challenge to broadcasters because they allow advertisers to reach specifically targeted audiences and locations through placement of local advertising on a

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[61] *See* Attachment A.

[62] *See, e.g.,* Makena Kelly, *Congress blew its last chance to curb Big Tech's power*, The Verge (Dec. 20, 2022), https://www.theverge.com/2022/12/20/23517807/big-tech-antitrust-bills-congress-omnibus; Cat Zakrzewski, *Bipartisan proposals in House would mean major changes for the way tech giants operate*, Washington Post (June 11, 2021), https://www.washingtonpost.com/technology/2021/06/11/antitrust-legislation-curbs-silicon-valley/.

[63] *See* News Release, Amy Klobuchar, United States Senator, Klobuchar, Kennedy, Cicilline, Buck, Durbin, Nadler Release Updated Bipartisan Journalism Bill (Aug. 22, 2022), https://www.klobuchar.senate.gov/public/index.cfm/2022/8/klobuchar-kennedy-cicilline-buck-durbin-nadler-release-updated-bipartisan-journalism-bill.

[64] *See* Press Release, Department of Justice, Justice Department Sues Google for Monopolizing Digital Advertising Technologies (Jan. 24, 2023), https://www.justice.gov/opa/pr/justice-department-sues-google-monopolizing-digital-advertising-technologies.

[65] Joseph R. Biden, President, United States, Remarks of President Joe Biden – State of the Union Address as Prepared for Delivery (Feb. 7, 2023), https://www.whitehouse.gov/briefing-room/speeches-remarks/2023/02/07/remarks-of-president-joe-biden-state-of-the-union-address-as-prepared-for-delivery/.

variety of cable channels and programs.[66] Moreover, advertising on streaming video platforms and devices and "connected TVs" is exploding along with viewers' use of those products. Parks Associates recently announced that 63% of U.S. internet households now own a "smart TV,"[67] while the Leichtman Research group has found that 87% of U.S. TV households have at least one Internet-connected TV device (including smart TVs and standalone streaming devices like Roku or Amazon Fire TV).[68] BIA reports that OTT advertising revenue will grow 12.3% this year, a rate even faster than mobile.[69] Meanwhile, Roku secured over $1 billion in advertiser commitments during 2022's "upfront" negotiation market.[70]

Local stations remain challenged on all sides not only by their competing stations and other traditional media counterparts, but by rapidly expanding online, mobile, and streaming platforms offering powerful options for advertisers, and often managed by dominant and unregulated

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[66] *See* Nexstar 2018 QR Refresh Comments at 10; Nexstar 2018 QR Initial Comments at 7-8.

[67] *See* Andy Fry, *Smart TV penetration rising rapidly in US, says Parks*, Digital TV Europe (Jan. 13, 2023), https://www.digitaltveurope.com/2023/01/13/smart-tv-penetration-rising-rapidly-in-us-says-parks/.

[68] *See* Press Release, Leichtman Research Group, 46% of Adults Watch Video via a Connected TV Device Daily (June 3, 2022), https://www.leichtmanresearch.com/46-of-adults-watch-video-via-a-connected-tv-device-daily/.

[69] *See, e.g.*, *BIA Projects $165.7B In 2023 For Local Advertising, Indicating Flat Year-over-Year Revenue Expectations*, TVNewsCheck (Nov. 30, 2022), https://tvnewscheck.com/business/article/bia-projects-165-7b-in-2023-for-local-advertising-indicating-flat-year-over-year-revenue-expectations/#:~:text=In%20its%20newly%20released%202023,of%20%24166.5%20billion%20for%202022.

[70] *See* Jon Lafayette, *Roku Drew Record $1 Billion in Ad Commitments in Upfront*, Broadcasting+Cable (July 28, 2021), https://www.nexttv.com/news/roku-drew-record-dollar1-billion-in-ad-commitments-in-upfront.

enterprises of massive scope and scale. The resulting revenue pressure will only continue to intensify and threaten local TV stations' ability to invest in high-quality local programming.

C. Consumer Shifts Away from Traditional MVPDs Are Placing Additional Stress on Local Television Broadcasters.

Of all the various trends in the video marketplace in recent years, perhaps the most notable development has been the rapid migration of television consumers away from traditional MVPDs. This has significant impacts for local broadcasters.

Although MVPDs remain significant and massively capitalized players, they have fallen behind streaming services as the most-watched platform for television viewers (with their share of total TV usage declining from 35.6% to 30.4% in the last year alone).[71] Subscriber rates for MVPDs' video services have been steadily declining as well. The rise of streaming alternatives, the COVID-19 pandemic, and economic concerns have coalesced to change media consumption habits and lead many consumers to cancel their MVPD subscriptions. Although the Commission reported that MVPDs had a total of 94 million subscribers at the end of 2017,[72] that figure fell to 69.1 million at the end of 2021[73] and, according to the Leichtman Research Group, 63.4 million at the end of Q3 2022.[74] This trend does not show signs of reversing any time soon.[75]

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[71] *See High-demand sports and streaming content fuel a rise in total TV usage in January*, Nielsen (Feb. 2023), https://www.nielsen.com/insights/2023/high-demand-sports-and-streaming-content-fuel-a-rise-in-total-tv-usage-in-january/.

[72] *See Communications Marketplace Report*, Report, 33 FCC Rcd 12558, 12598, ¶ 54 (2018).

[73] *See 2022 Communications Marketplace Report*, ¶ 213.

[74] *See* Press Release, Leichtman Research Group, Major Pay-TV Providers Lost About 785,000 Subscribers in 3Q 2022 (Nov. 14, 2022), https://www.leichtmanresearch.com/major-pay-tv-providers-lost-about-785000-subscribers-in-3q-2022/.

[75] *See* Jon Lafayette, *S&P Sees 2023 Recession Boosting Risks to Challenged Media Business*, Broadcasting+Cable (Jan. 10, 2023), https://www.nexttv.com/news/sandp-sees-2023-recession-

Consistent with the explosion in streaming services, many former viewers of traditional MVPDs have moved to vMVPDs, which provide similar linear programming channels but deliver them via the Internet rather than by cable or satellite. The Commission itself found in its recent 2022 Communications Marketplace Report that vMVPDs are continuing to "attract consumers away from traditional MVPDs."[76] For example, 2021 saw MVPDs lose just under 5.6 million subscribers combined compared to a nearly 900,000 subscriber gain for Hulu + Live TV, Sling TV, and fuboTV.[77] This continued into 2022, as the above-referenced 900,000-vMVPD subscriber gain from 3Q 2022 was met with a nearly 1.7 million-subscriber loss for MVPDs.[78] vMVPDs, moreover, are currently carrying hundreds of local broadcast stations in markets across the country, many of them under retransmission consent agreements which, as discussed below, are negotiated by the stations' affiliated networks.[79] Thus, vMVPDs are rapidly becoming viable alternatives to traditional MVPDs for viewers to watch their local television stations.

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boosting-risks-to-challenged-media-business (explaining S&P Global's "forecast calls for cord-cutting to hit 9.7% in 2023, up from 9% in 2022.").

[76] *See 2022 Communications Marketplace Report*, ¶ 214.

[77] *See Major Pay-TV Providers Lost About 4,700,000 Subscribers in 2021*, Leichtman Research Group (Mar. 8, 2022), https://www.leichtmanresearch.com/major-pay-tv-providers-lost-about-4700000-subscribers-in-2021/ (last visited Jan. 25, 2023).

[78] *See supra* n.46.

[79] *See, e.g.*, *What local ABC, CBS, FOX, NBC, and CW stations does fuboTV carry?*, fuboTV, https://support.fubo.tv/hc/en-us/articles/115005151127-What-local-ABC-CBS-FOX-NBC-and-CW-stations-does-fuboTV-carry- (last updated Feb. 14, 2023); Jim Kimble, *Hulu Live TV Channel List 2022: What channels are on Hulu + Live TV?*, The Cord Cutting Report, https://cordcuttingreport.com/hulu-channels-list/ (last updated Nov. 22, 2022); Jim Kimble, *Sling TV to add local ABC stations in 8 markets*, The Cord Cutting Report, https://cordcuttingreport.com/2023/01/29/sling-tv-adds-abc-in-five-markets/ (last updated Jan. 30, 2023).

The trend away from traditional MVPD viewing has significant implications for broadcasters. The retransmission consent fees that MVPDs pay to broadcasters make up a significant portion of broadcast station revenue.[80] Because retransmission fees are based on the number of subscribers to a given MVPD, each subscriber that cancels his or her MVPD subscription—be it for a vMVPD or an antenna—directly translates to fewer dollars in revenue for a station. And while local broadcast stations conceivably may negotiate fees with vMVPDs for the retransmission of their signals, the major broadcast networks have in reality claimed primacy over this function and are directly negotiating with vMVPDs for carriage of their local affiliates, returning to those affiliates only a modest percentage (generally 30-35%) of the fees negotiated. Some have gone further, with Paramount Global announcing in late January that it has negotiated a deal with fuboTV and will provide the vMVPD with a national CBS network feed to stream in markets where local CBS affiliates opt out of the network-negotiated agreement.[81] In short, alternatives to MVPD viewership are placing downward pressure on local broadcast stations' retransmission consent revenue—revenue that could be used to produce content that promotes the Commission's longstanding localism, competition, and diversity goals.

[80] *See Broadcast Investor, Retrans Projections Update: Sub Rates Continue to Rise*, S&P Global Market Intelligence (July 25, 2019), https://www.spglobal.com/marketintelligence/en/news-insights/research/retrans-projections-update-sub-rates-continue-to-rise.

[81] *See* Jon Lafayette, *Paramount to Provide CBS Network Feed to FuboTV If Affiliates Opt Out of Deal*, Broadcasting+Cable (Jan. 27, 2023), https://www.nexttv.com/news/paramount-may-provide-cbs-network-feed-to-fubo-if-affiliates-balk-at-terms. In the case of Hulu + Live TV, negotiations for vMVPD carriage are being conducted by the owners of the networks with a majority and minority stake in Hulu respectively, Disney and ComcastNBCU.

D. New Delivery Technologies Are Increasingly Eroding the Role of Local Television Stations.

For decades, the backbone of the local television industry has been the unique role of local television stations in delivering popular network programming and locally focused news and information to communities across the nation. This role, too, is under threat from new technologies. This is perhaps no more apparent than in the realm of national sports, where many streaming services have been "act[ing] like [] old-fashioned TV network[s]" by acquiring the rights to stream certain live sporting events exclusively on their platforms.[82]

For instance, Amazon acquired the exclusive rights to air the National Football League's ("NFL") weekly *Thursday Night Football* games starting in 2022,[83] and beginning in 2023, Google's YouTube TV will be the exclusive home of the NFL's *Sunday Ticket* subscription package.[84] Further, before the start of the 2022 season, Apple and NBCUniversal both entered into deals with Major League Baseball ("MLB") to exclusively stream certain games on Apple TV+ and Peacock, respectively.[85] YouTube had already begun exclusively live streaming MLB

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[82] *See Streaming wars: The fight for viewers*, CBS News (Sep. 25, 2022), https://www.cbsnews.com/news/streaming-wars-the-fight-for-viewers/.

[83] *See* Ian Carlos Campbell, *Amazon's Thursday Night Football deal will start early*, The Verge (May 3, 2021), https://www.theverge.com/2021/5/3/22417957/amazon-nfl-thursday-night-football-2022. As part of the deal, these games will still be available over-the-air in the home markets of the two teams playing. *See* Tom Goldman, *Ready, set, stream - a new NFL era begins Thursday*, NPR (Sep. 15, 2022), https://www.npr.org/2022/09/15/1123006928/ready-set-stream-a-new-nfl-era-begins-thursday.

[84] *See* Lillian Rizzo, *NFL 'Sunday Ticket' goes to YouTube in seven-year, $2 billion annual deal*, CNBC (Dec. 22, 2022), https://www.cnbc.com/2022/12/22/nfl-sunday-ticket-youtube-tv.html.

[85] *See* Ben Munson, *Apple TV+ slides into 'Friday Night Baseball' deal with MLB*, Fierce Video (Mar. 8, 2022), https://www.fiercevideo.com/video/apple-tv-slides-friday-night-baseball-deal-mlb; Bevin Fletcher, *Peacock scores exclusive MLB Sunday morning games*, Fierce Video (Apr. 7, 2022), https://www.fiercevideo.com/video/peacock-scores-18-exclusive-mlb-sunday-morning-games.

games three years prior and continued to do so through the 2022 season.[86] Apple agreed to a deal with Major League Soccer ("MLS") to make the Apple TV app the exclusive home of all live matches beginning in 2023,[87] while certain U.S. Women's and Men's National Team games will be made exclusively available on HBO Max as part of a deal between Turner Sports and the U.S. Soccer Federation.[88] More and more, major sporting events that once were reliably available on the local affiliates of broadcast networks are moving to streaming services.

Even where the networks still provide programming to their affiliates, the value of that programming to the affiliates is frequently diluted by its simultaneous or closely proximate availability via streaming. Streaming platforms operated by the major networks, such as Hulu, Paramount+, Peacock, and ESPN+, also make network entertainment programs available within a day of their airing on local network affiliates.[89] This diminishes the value of local broadcasters by decreasing the need for even loyal viewers to tune in and watch programs when they are first broadcast on network affiliates' television stations. Moreover, as discussed in Section III.C above, networks are negotiating carriage of their affiliates' signals *themselves* on the rapidly expanding array of vMVPDs.

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[86] *See* Masha Abarinova, *Apple, Amazon, YouTube hit streaming home runs in 2022*, Fierce Video (Dec. 28, 2022), https://www.fiercevideo.com/video/apple-amazon-youtube-hit-streaming-home-runs-2022.

[87] *See* Bevin Fletcher, *Apple scores 10-year deal to stream all live Major League Soccer games*, Fierce Video (Jun. 15, 2022), https://www.fiercevideo.com/video/apple-scores-10-year-deal-stream-all-live-major-league-soccer-games.

[88] *See* Ben Munson, *HBO Max gets into live sports through U.S. soccer deal*, Fierce Video (Mar. 2, 2022), https://www.fiercevideo.com/video/hbo-max-gets-live-sports-through-us-soccer-deal.

[89] Nexstar 2018 QR Refresh Comments at 6.

Streaming video and other digital platforms also pose a significant threat to local television news. According to the Pew Research Center, 82% of U.S. adults say they "often" or "sometimes" get news from a computer, smartphone, or tablet, versus 64% from television,[90] and some commentators believe that the explosion of streaming video is signaling the end of broadcast and cable news as we once knew it.[91]

In short, local television broadcasting faces pressures from all directions, now more than ever. Broadcasters face a vast array of competing program services, delivery technologies, and advertising platforms, most from far larger and far less regulated companies. These competitors, moreover, are increasingly upending established patterns of television consumption and business and positioning themselves to play the traditional roles of local television stations. This presents a textbook case for the Commission to perform its statutory duty to repeal (or at least relax) the Local Television Ownership Rule in the public interest as a result of competition.

IV. THE FCC SHOULD ACT PROMPTLY TO DECREASE REGULATORY BURDENS ON THE TELEVISION BROADCAST INDUSTRY.

Despite seismic shifts in the competitive landscape and a longstanding Congressional mandate to review the media ownership rules every four years, most of those rules have remained virtually unchanged for decades. This stands at odds with the very purpose of Section 202(h), which was to drive "regulatory reform" by requiring periodic review and, in recognition of

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[90] *See* Naomi Forman-Katz & Katerina Eva Matsa, *News Platform Fact Sheet*, Pew Research Center (Sep. 20, 2022), https://www.pewresearch.org/journalism/fact-sheet/news-platform-fact-sheet/.

[91] *See, e.g.*, Jack Shafer, *The Biggest Change in Media Since Cable Is Happening Right Now*, Politico (June 23, 2022), https://www.politico.com/news/magazine/2022/06/23/news-streaming-media-revolution-00040567; Stephen Battaglio, *Why free streaming channels could be the future of broadcast TV news*, Los Angeles Times (Nov. 7, 2022), https://www.latimes.com/entertainment-arts/business/story/2022-11-07/free-streaming-channels-broadcast-network-news-abc-nbc-cbs-fox.

competitive changes, elimination or modification of rules that have long outlived their usefulness.[92] Indeed, on review of the first Section 202(h) review more than twenty years ago, the D.C. Circuit found that an "'incremental' approach" to reforming broadcast ownership regulation was inappropriate, likening the "mandate of" Section 202(h) to "Farragut's order at the battle of Mobile Bay ('Damn the torpedoes! Full speed ahead.')."[93] Yet, as the Media Bureau recognizes in the *Public Notice*, the media ownership rules subject to the agency's quadrennial review mandate "remain subject to the ongoing 2018 Quadrennial Review proceeding."[94]

As the *Public Notice* also acknowledges, the record compiled in response "will help inform the Commission's next steps in the 2022 proceeding, such as any subsequent Notice of Proposed Rulemaking."[95] Given that the broadcast industry has labored for decades under antiquated structural ownership regulations that apply to none of its competitors, further delay will only hamper broadcasters' ability to enhance their local offerings in fulfillment of their paramount obligation to serve local communities. Nexstar therefore urges the Commission to fulfill its duties under Section 202(h) by assessing the record compiled in response to the *Public Notice* and promptly taking meaningful steps to eliminate or loosen local television ownership regulation.

V. CONCLUSION

The number of options available to advertisers and video consumers has only continued to grow since the Commission's last quadrennial review proceeding, and such options will expand

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[92] 1996 Act, § 202(h).

[93] *Fox Television Stations, Inc. v. FCC*, 280 F.3d 1027, 1044 (D.C. Cir. 2002).

[94] *2022 QR Public Notice* at 3. The FCC also failed to produce a decision in the 2010 quadrennial review, instead rolling that proceeding into the 2014 review. *2014 Quadrennial Regulatory Review*, Further Notice of Proposed Rulemaking and Report and Order, 29 FCC Rcd 4371 (2014).

[95] *2022 QR Public Notice* at 4.

even further in the foreseeable future. Local broadcast stations struggle to compete in this exponentially expanding media marketplace, and the Commission's Local Television Ownership Rule stands as an artificial and unnecessary thumb on the scale to their detriment. The Commission can help broadcasters to compete effectively and efficiently by eliminating the Local Television Ownership Rule or, at a minimum, its Top-Four Prohibition. Only through reform that reduces at least some of the competitive imbalance that persists under current FCC rules will broadcasters be able to obtain efficiencies through economies of scale, allowing reinvestment in local news and other community-responsive programming in furtherance of the public interest.

Respectfully submitted,

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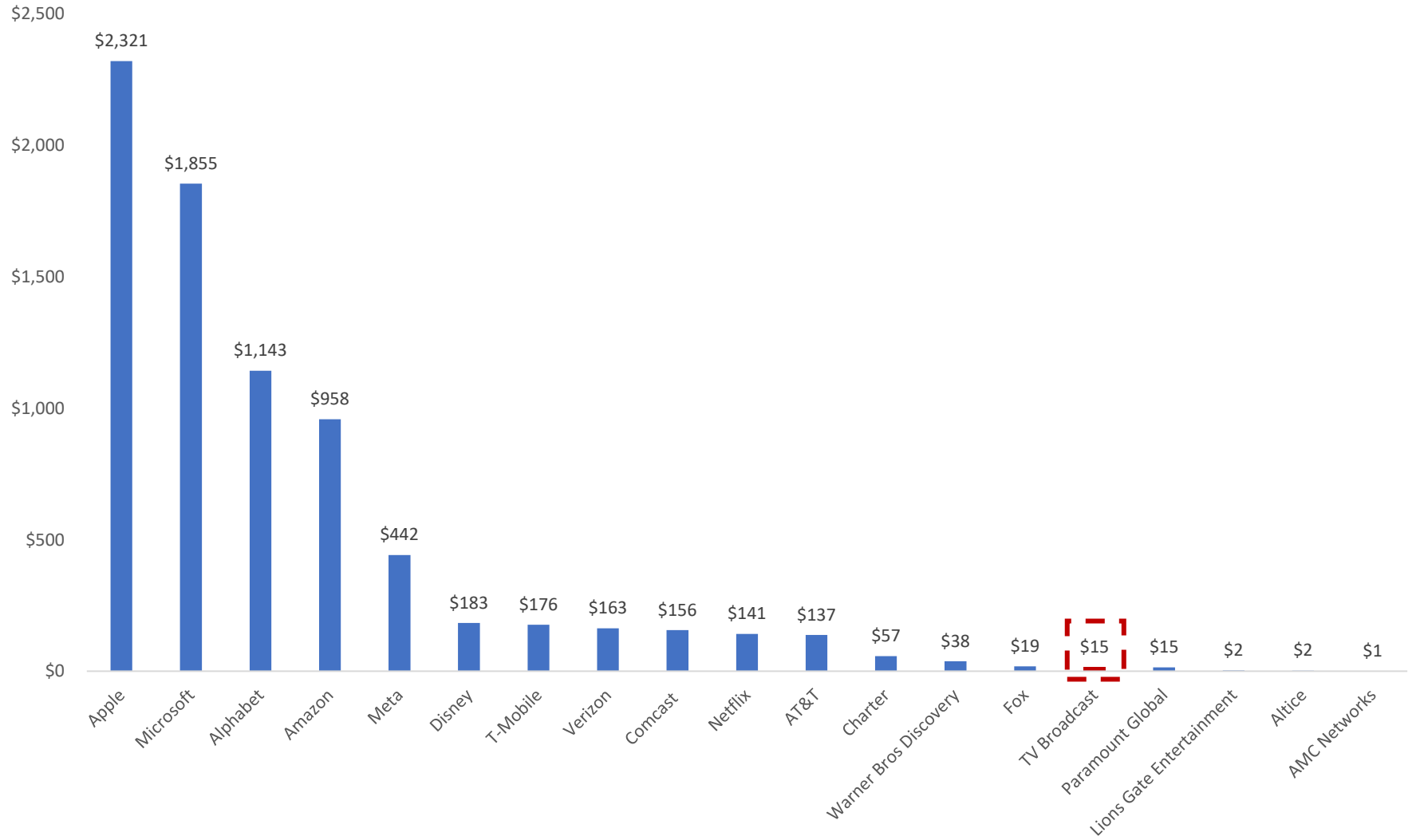
March 3, 2023

Attachment A

Market Capitalization of Key Players in Media, Technology & Telecom

As of February 24, 2023
($ in billions)



Source: S&P Capital IQ.
Note: TV Broadcast includes Nexstar Media Group, TEGNA, Gray Television and The EW Scripps Company.

Attachment B

BIA's Nationwide Advertising Overview by Media

in $ Millions

Media Channels	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Television Online	1,164.0	$1,293.4	$1,459.3	$1,592.1	$1,882.7	$2,207.9	$2,611.5	$3,011.0	$3,328.7	$3,554.0
Television OTA	**19,233.0**	**$16,889.1**	**$18,137.1**	**$15,618.4**	**$19,940.1**	**$16,244.9**	**$21,793.2**	**$17,531.8**	**$22,458.4**	**$19,292.6**
OTT	598.2	$858.2	$990.7	$1,282.2	$2,106.2	$2,365.4	$2,870.4	$3,030.7	$3,361.7	$3,453.4
Radio Online	1,441.5	$2,024.1	$1,931.4	$2,608.1	$3,014.4	$3,145.0	$3,626.6	$3,928.5	$4,235.0	$4,594.6
Radio OTA	13,103.3	$12,751.0	$9,746.0	$10,749.0	$11,031.1	$10,381.4	$11,232.3	$10,963.9	$11,441.5	$11,028.3
Cable TV	6,360.0	$5,769.3	$6,484.2	$6,095.0	$7,041.7	$5,547.7	$7,108.0	$5,616.5	$6,798.0	$5,635.4
Direct Mail	37,470.1	$37,013.4	$31,666.0	$33,514.9	$36,609.6	$37,154.6	$37,994.3	$38,790.3	$39,585.3	$40,376.2
Email	3,329.9	$3,706.2	$3,558.0	$3,629.1	$3,815.0	$3,995.2	$4,241.0	$4,525.3	$4,819.2	$5,118.8
Directories	2,907.8	$2,499.1	$2,218.2	$2,179.9	$2,171.8	$2,146.4	$2,147.8	$2,156.4	$2,197.8	$2,268.1
Magazines Online	570.9	$610.6	$714.4	$893.0	$862.6	$931.0	$1,021.1	$1,120.1	$1,228.2	$1,344.4
Magazines Print	1,389.2	$1,261.8	$1,014.8	$801.7	$668.5	$587.0	$530.3	$482.5	$441.9	$404.1
Mobile	18,788.4	$21,864.7	$21,862.8	$29,102.7	$30,994.8	$33,489.8	$36,813.4	$39,070.6	$40,421.4	$41,407.2
Newspaper Online	4,381.7	$4,611.6	$3,689.2	$3,965.9	$4,379.2	$4,364.3	$4,813.4	$4,695.3	$4,951.6	$4,851.2
Newspaper Print	9,973.0	$9,129.2	$6,563.0	$6,513.3	$6,487.1	$6,079.9	$6,400.7	$5,912.0	$6,111.9	$5,766.7
PC/Laptop	17,586.2	$19,524.0	$22,070.3	$27,440.2	$27,567.7	$28,978.9	$31,022.9	$33,400.3	$36,151.8	$38,850.7
Out-Of-Home	8,542.1	$8,688.8	$6,108.8	$7,047.9	$7,919.1	$8,062.1	$8,679.9	$8,679.7	$9,223.0	$9,261.2
Total	**146,839.5**	**148,494.5**	**138,214.4**	**153,033.5**	**166,491.5**	**165,681.7**	**182,906.9**	**182,915.0**	**196,755.5**	**197,207.0**
OTA TV%	**13.1%**	**11.4%**	**13.1%**	**10.2%**	**12.0%**	**9.8%**	**11.9%**	**9.6%**	**11.4%**	**9.8%**
All TV%	**14.3%**	**12.8%**	**14.9%**	**12.1%**	**14.4%**	**12.6%**	**14.9%**	**12.9%**	**14.8%**	**13.3%**

Source: BIA's 2023 U.S. Local Advertising Forecast, Issued Nov. 2022.